

Messrs. Tait and Co. have opened up a coal-pit in the Hokonuis, and have laid a tramway down the Charlton Valley to the dredges; the coal is lignite of a very fair quality, and the use of the tramway will be a great convenience to dredge-owners in the Charlton Valley, as the obtaining of coal in the winter months is a serious matter owing to the bad state of the roads.

*Waimumu.*

There are five dredges on this stream, three of which are public companies and two private—viz., the Waimumu Venture and Marshall Bros'. I understand all these dredges are paying, with the exception of the public company known as the Waimumu, which was the first dredge to start operations in this locality.

*Mataura River.*

There is only one dredge on this river, known as the Central Mataura, which is owned by a party of working-miners.

Some prospecting operations have been carried on on this river a few miles below Gore, opposite what is known as Riverview, with, I understand, satisfactory results. Three prospecting licenses have been granted, and a company has been formed for the purpose of acquiring a dredge to place on the Mataura River, opposite Riverview. Should dredging operations prove successful, there is room for several dredges in the locality.

*Waikaka.*

Between Gore and Waikaka Township, including Chatton, there are twenty-five dredges carrying on operations, and another nearing completion, known as the Rosedale. A number of these dredges are owned by private companies, therefore the returns are not made public, but the fact of the dredges continuing operations can generally be taken as evidence that the returns are payable, because they invariably stop when the gold recovered is below paying-point.

The Waikaka Syndicate have during the year acquired the Sheddan's Freehold dredge and also acquired further freehold, and the returns are said to be satisfactory.

In this valley experiments have been made by the Argyle and Sheddan's Rex companies of planting trees on the ground which has been dredged, and the experiments have turned out eminently satisfactory. Experiments are now being made in sowing flax, and experts seem to think that there is no reason why this should not also be successful. If so, the cultivation of this valuable product will go a long way to dispel the cry about the dredges ruining the freehold.

WAIKAIA.

I have much pleasure in reporting that mining, especially dredging, is in a very flourishing condition in this locality. No less than twelve dredges are in full work yielding good returns and paying regular dividends. Besides the above there are three dredges in course of construction. A large number of the dredges have yielded big returns during the year. The gold won has been very considerable, and from inquiries made it is estimated that the yield was about 12,700 oz., valued at over £50,000, the local bank having bought over 38,500 pounds' worth during the year; the balance was disposed of outside the district.

Of course this prosperity has caused a considerable increase in the working-population of the district, and it is estimated that at least 260 Europeans and about thirty Chinese are employed in the Waikaia and Nokomai districts in dredging, sluicing, and coal-mining.

The principal hydraulic-sluicing companies in this locality are the Round Hill Mining Company at Waikaia, and the Nokomai Hydraulic Company at Nokomai; but there are several other smaller companies and parties carrying on mining operations very successfully in this district also. The past season having been a very wet one, water for sluicing purposes has been very plentiful.

Another thing that is likely to greatly benefit the district is the fact that a large area of the Otago School Commissioners' land has lately been proclaimed open for mining. Already a number of prospecting licenses have been taken up, and should any extent of the land prove payably auriferous it will mean a splendid thing for the district generally.

The revenue collected by the Receiver of Gold Revenue at Waikaia for the year 1905, for rent and royalties, amounted to £702.

On the whole this portion of my district is exceedingly prosperous.

I have, &c.,

The Under-Secretary, Mines Department, Wellington.

G. CRUICKSHANK, Warden.

Mr. Warden BURGESS, Queenstown, to the UNDER-SECRETARY, Mines Department, Wellington.

SIR,—

Warden's Office, Queenstown, 31st May, 1906.

I have the honour to forward herewith statistical returns relating to this portion of the Otago Mining District for the year ended the 31st December, 1905, together with a general report on mining in the several subdistricts under my charge.

QUEENSTOWN AND ARROWTOWN.

There is not much change to report in this portion of my district. In the Queenstown division the chief mining has been confined to the Shotover River. All the claims mentioned in my last report are still at work and are yielding profitable, though not large, returns.

Mr. Robert Johnston has in contemplation, in connection with the working of his claim at Pleasant Creek, Upper Shotover, the construction of a capacious dam and two very large tail-races. These